BRITISH COLUMBIA

BC STATS

Ministry of
Management Services

Infoline

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- **One in four people living in BC first leaned to speak a language other than English or French**
- **Earnings of young men were 8.7% lower in 2000 than they were in 1975**
- **British Columbians spent over one third of their budget on shelter, food, and clothing**

Census 2001

- **One in four (25%) British Columbians first learned to speak a language other than English or French.** This was more than in any other province. Nationally, 18% of Canadians had a mother tongue other than English or French, up from 17% in 1996. The most commonly spoken non-official languages in BC were Chinese, Punjabi, and German. In the Vancouver CMA, 15% of the population had Chinese as their mother tongue. Punjabi was the dominant non-official mother tongue in the Abbotsford CMA, accounting for 12% of the population, a significant increase from 8% in 1996. *Source: 2001 Census*

The Economy

- **Fewer businesses (-17.1%) declared bankruptcy in the province during October when compared to the same month of last year.** Nationally, the number of business bankruptcies fell 28.5%. Consumer bankruptcies in the province rose 1.3% in October, to reach 851. There were 7,228 consumer, bankruptcies in Canada, down from 7,612 in October 2001. Among the provinces, the largest increase was reported in Newfoundland (+3.3%). New Brunswick (-11.7%) and Quebec (-11.0%) saw consumer bankruptcies fall the most. *Source: Industry Canada*

- **In October, new motor vehicle sales (seasonally adjusted) grew 5.4% in British Columbia and the territories.** There were 16,953 new vehicles purchased in October 2002, up from 16,086 in September.

  Sales were up or constant in all provinces except New Brunswick (-1.4%) which has been trending downwards through much of 2002. Dealers in Quebec saw a large increase in sales (+4.8%), up for the third consecutive month. Across Canada, new motor vehicle sales increased 2.0%. Consumers bought 79,823 new cars, an increase of 0.6%, and 68,803 new trucks, up 3.7%. Overseas-built models accounted for the entire increase in sales of passenger cars in October. Year-to-date sales grew 16.3% for overseas-built cars, compared with 7.0% for those built in North America. *Source: Statistics Canada*

Housing

- **Housing starts in the province jumped (+19.0%, seasonally adjusted) in November, following a 20.2% increase in October.** Nationally, housing starts fell 3.0%. Newfoundland (-30.4%) and Saskatchewan (-12.5%) saw the largest declines. New Brunswick (+27.9%) posted the biggest gain. *Source: CMHC*

- **The cost of new housing increased in both Vancouver (+2.1%) and Victoria (+5.9%) in October, compared to the same month of 2001.** Across Canada the new housing index climbed 4.7% with the largest growth seen in Ottawa-Gatineau (+9.1%) and Edmonton (+8.4%), with no urban centres reporting decreases. Increases in the cost of skilled labour and building materials have been major contributors to rising prices nationally. Low interest rates and job growth have continued to drive the strong demand for new housing. *Source: Statistics Canada*

Household Expenditures

- **Food (11%), shelter (21%), and clothing (4%) made up more than a third of total household spending in the province last year.** Transportation costs (13%) also took a big bite out of the household budget. Household

Did you know....
More young people are enrolled in full time studies, with about half of women (53%) and men (48%) between the ages of 16–24 attending school full time in 2001 compared to only about one-third in 1976.

furnishings and equipment (3%), health care (3%), recreation (6%), and education (2%) all played significant roles in expenditures. Relative to 2000, BC households spent a higher share of their budget on food and clothing, and less on shelter in 2001. The proportion of household expenditure dedicated to shelter in BC was higher than the corresponding percent for Canada (19%). Average total household spending in BC was $57,352. Expenditures were highest in the Northwest Territories ($68,310) while households in Newfoundland and Labrador spent the least ($46,650). *Source: Statistics Canada*

Tourism

- **Room revenues grew (+1.4%) in August to $125.8 million (seasonally adjusted), marking a strong tourist season for BC.** Both Mainland/Southwest (+1.2%) and Vancouver Island/Coast (+0.8%) posted healthy increases. Kootenay (+7.7%) and Cariboo (+8.3%) had the largest gains in revenue through August. North Coast (+3.4%) and Northeast (+4.1%) also experienced a strong tourist season. Nechako (-1.9%) was the only region to see a decline in August.

  Revenue generated by large hotels (greater than 250 rooms) was the main factor in the provincial increase, growing 2.2% in August. Small hotels (75 rooms or less) continued to inch up (+1.1%) for the fifth straight month, while hotels with 151 to 249 rooms had the only decrease (-1.3%). Revenue from vacation rentals (+3.4%) and other resorts (+6.1%), which generate over one third of in the revenue in the Kootenay region, increased the most in August. Motel revenues rose (+2.2%) for the fourth month in a row. *Source: BC STATS*

Earnings

- **Young males are earning less, while young females are paid more than in 1975.** Earnings of full-year, full-time employed men between the ages of 16 to 24 in Canada were 8.7% less in 2000 than they were in 1975 (adjusted for inflation). Women in the same age group saw their earnings rise 3.5% between 1975 and 2000. Earnings of workers aged 45 to 54 increased the most over this time period. Men in this age group earned 8.8% more than their counterparts in 1975, while women earned 42.9% more. *Source: SC Catalogue 75-001-XIE Vol. 3, No. 11*

- **The falling earnings of immigrants do not apply to self-employed immigrants.** The gap between immigrant earnings and native born earnings in the paid labour market has been increasing since 1976. Although there is still a discrepancy between earnings of self-employed immigrants and the self-employed native born, the gap between them has been relatively constant over the same time period. *Source: SC Catalogue 11F0019FIE, No. 195*

The Nation

- **The Canadian leading indicator continued to grow slowly in November (+0.1%, seasonally adjusted).** The composite index combines indicators from manufacturing, retail, housing and the stock market. Household demand fuelled the growth of three of the four components that advanced. The levelling off of growth in recent months, after the deceleration that began at the turn of the year, largely reflects a stabilizing of the stock market. *Source: Statistics Canada*

- **Labour productivity in Canada's business sector rose 0.2% (seasonally adjusted) in the third quarter.** This was the slowest productivity growth rate since the third quarter of 2001. Both output (+0.7%) and hours worked (+0.6%) rose modestly, and were the main reasons for the growth in productivity. *Source: Statistics Canada*

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Infoline Report

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Trade in High Technology Goods and Services

This article is an excerpt from the publication Profile of the British Columbia High Technology Sector, 2002 Edition which is available online at:

www.bcstats.gov.bc.ca/data/bus_stat/hi_tech/htp2002.pdf

Although British Columbia managed to escape most of the fallout from the dotcom implosion, the BC high technology sector did experience some setbacks in 2001. Due in part to the bumpy ride for high technology companies and partly to the overall decline in the BC economy, the value of exports of high technology commodities dropped significantly in 2001. Exports from British Columbia were valued at $978.9 million, down 13.6% from 2000. The drop in the value of international shipments of goods in the high technology sector was more severe than for overall exports, which fell 8.3%. High technology goods comprised just over three percent of all BC commodity exports.

High technology commodity exports

Three commodity groups were responsible for the entire decline in exports.[1] Shipments of material design goods, which almost doubled a year earlier (+90%), fell over 60% in 2001. This yo-yo pattern of growth was mostly due to trade in optical fibres and optical fibre bundles and cables.

Computers and telecommunications exports dropped 17.7%, marking the third straight year of double-digit decline. Since peaking in 1998 at over half a billion dollars, exports of this commodity group have dropped over 43%. However, this group still ranks first in value of BC high technology exports, although its share has slipped from a peak of just under 61% in 1992 to just over 29% in 2001.

Shipments of opto-electronics were 21.1% lower compared to 2000. This was the first time in over a decade that exports of opto-electronics did not experience growth. Despite the decline, these goods still rank second in BC high tech exports.

BC high technology exports by commodity group—2001

	$ million	%change
Computers & Telecommunications	286.8	-17.7
Opto-Electronics	159.4	-21.1
Computer Integrated Manufacturing	143.4	12.1
Aerospace	124.3	13.1
Life Sciences	94.6	15.5
Electronics	90.3	19.3
Material Design	71.0	-60.3
Weapons & Nuclear	7.4	12.6
Biotechnology	1.6	5.0
Total	**978.9**	**-13.6**

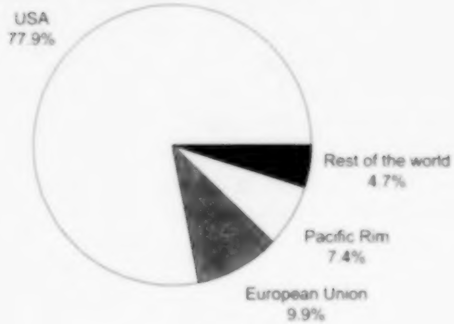
Destination of BC high tech exports

The United States receives by far the largest share of BC exports of high technology goods, significantly higher than its share of total BC exports. In 2001, BC manufacturers of high technology commodities exported $763.0 million of their products to the United States, accounting for 78% of the total value of high technology exports. By comparison, 70% of BC's total goods exports were shipped to the United States. Italy leapfrogged Japan to become the second most important destination of BC produced high technology commodities in 2001, receiving just over 3% of the total value ($32.3 million). In fact, Japan slipped to fourth behind the United Kingdom ($25.4 million), with only $18.2 million in BC origin exports shipped to Japan, or just over half the value from a year earlier. Due to a one-time

[1] For information on high technology commodity groups, see Appendix B of Profile of the British Columbia High Technology Sector, 2002 Edition.

$13.7 million shipment of fibre optic equipment to India, that country ranked fifth in terms of BC exports, with a total of $15.7 million in high tech goods.

The USA is the destination of the large majority of BC exports of high technology goods



Most of the decline in exports of BC produced high technology goods was due to a $183 million (-19.3%) drop in high technology shipments to the US compared to 2000. The $16.5 million

(-47.6%) decrease in exports to Japan was the next most significant downturn. On the other hand, exports to the European Union were up significantly, jumping 38.9% to $96.8 million, an increase of $27.1 million. Italy (+$10.5 million) and the United Kingdom (+$9.6 million) led the way.

High technology imports

Similar to exports, imports of high technology goods into BC also fell in 2001, dropping 6.8% from a year earlier. There were $5.4 billion worth of high tech goods imported into BC in 2001, over five and a half times the value of goods exported from the province.

As with exports, computer and telecommunication goods led the way as the most important import. Over twice the value of this commodity group was imported into the province compared to second ranked aerospace goods. These two groups together comprise almost two thirds of all high technology imports into BC.

The United States is the source of the majority of BC imports of high tech goods, valued at over $2.8 billion in 2001. The next most significant origin of BC imports is Japan at $328 million, or about 6% of the total. Nevertheless, the distribution of imports is much more diverse than that of exports where the US is by far the single most important destination.

British Columbia's imports of high technology commodities are far greater than the value of exports and, as a result, the province runs a trade deficit in these goods. Although high tech exports have generally grown at a faster rate than imports over the last decade, the absolute growth in imports has exceeded that of exports, which means the trade deficit has persisted.

In 2001, the trade deficit in high technology commodities actually declined, as the reduction in imports was larger than that of exports. However, the trade deficit is still almost four and a half billion dollars. Roughly half ($2.1 billion) that deficit is with the United States. This is in stark contrast to commodity trade as a whole, where BC has a substantial $7.4 billion trade surplus with the United States.

BC high technology imports by commodity group—2001

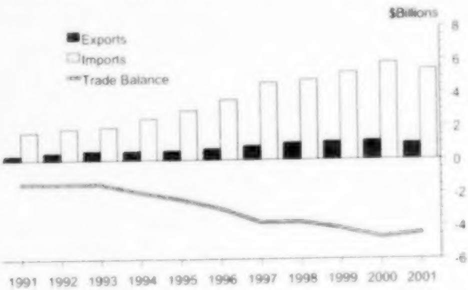
	$ million	%change
Computers & Telecommunications	2,432.8	-10.7
Opto-Electronics	1,156.8	25.1
Computer Integrated Manufacturing	574.8	18.1
Aerospace	493.6	-40.1
Life Sciences	388.0	-10.0
Electronics	200.1	-4.0
Material Design	75.8	-46.8
Weapons & Nuclear	66.3	55.3
Biotechnology	45.8	4.1
Total	5,433.9	-6.8

Trade in services

Although there are four broad groups of service industries in the high technology sector, only two of them derive a significant part of their revenues from exports. In 2000,[2] BC exports of computer and related services and engineering services amounted to just over one billion dollars, approximately 89% of the value of all high technology goods exports. This is compared to 1991 when services exports were about one third the value of goods exports.

In 2000, exports of engineering services fell for the third straight year to their lowest level since 1993. However, the growth in exports of computer services more than offset this decline, increasing by almost a third the value of a year earlier to $906 million. As a result, total service exports posted a significant increase of 18% overall.

High technology trade deficit improved slightly in 2001



[2] Data is not yet available for 2001.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jul 1/02	% change on one year ago
BC	4,141.3	1.0
Canada	31,414.0	1.0
GDP and INCOME *(BC - at market prices)*	2001 Revised	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	130,859	1.2
GDP *($ 1997 millions)*	123,912	-0.2
GDP *($ 1997 per Capita)*	30,252	-1.1
Personal Disposable Income *($ 1997 per Capita)*	19,513	1.2
TRADE ($ millions)		% change on prev. month
Manufacturing Shipments (seas. adj.) Sep	2,843	-2.9
Merchandise Exports (seas. adjusted) Sep	2,440	0.6
Retail Sales (seasonally adjusted) Sep	3,332	-0.2
CONSUMER PRICE INDEX *(all items - 1992=100)*	Oct '02	12-month avg % change
BC	118.7	1.8
Canada	120.5	1.7
LABOUR FORCE (thousands) *(seasonally adjusted)*	Nov '02	% change on prev. month
Labour Force - BC	2,183	0.1
Employed - BC	1,997	-0.1
Unemployed - BC	186	2.8
		Oct '02
Unemployment Rate - BC *(percent)*	8.5	8.3
Unemployment Rate - Canada *(percent)*	7.5	7.6
INTEREST RATES (percent)	Dec 11/02	Dec 12/01
Prime Business Rate	4.50	4.00
Conventional Mortgages - 1 year	4.90	4.60
- 5 year	6.70	6.85
US/CANADA EXCHANGE RATE	Dec 11/02	Dec 12/01
(avg. noon spot rate) Cdn $	1.5558	1.5654
US $ *(reciprocal of the closing rate)*	0.6428	0.6382
AVERAGE WEEKLY WAGE RATE *(industrial aggregate - dollars)*	Nov '02	% change on one year ago
BC	678.18	4.2
Canada	653.97	2.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Changes to BC at a glance . . .

← Comparison now to previous month

← SA figure now used for exports

← The 12-month average % change is calculated as the change between the sum of latest 12 months of index values and the sum of the previous 12 months of index values.

← Comparison now to previous month

← Comparison now to previous month

Released this week by BC STATS

- Labour Force Statistics, November 2002

Next week

- Quarterly Regional Statistics, 3rd Quarter 2002
- Consumer Price Index, November 2002
- Business Indicators, December 2002
- Current Statistics, December 2002

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